

[Submitting Counsel on Signature Page]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE JUUL LABS, INC.,
MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY
LITIGATION

Case No. 19-md-02913-WHO

TRIAL TESTIMONY AND EXHIBITS
FROM THE VIDEOTAPED TESTIMONY
OF RIAZ VALANI, JLI BOARD MEMBER,
PLAYED AT TRIAL

This Document Relates to:

*San Francisco Unified School District v.
Juul Labs, Inc. et al.*, Case No. 3:19-cv-
08177

Plaintiff, by and through its undersigned attorneys, hereby docket the following:

1. **Exhibit 1** is a report of the videotaped testimony of Riaz Valani, JLI Board Member, that was played to the jury on April 26, 2023. The testimony in blue 00:48:57 and light blue 00:00:00 is Plaintiff's affirmative and counter-counter designations.
2. **Exhibit 2**: is a *Joint Stipulation Identifying Trial Exhibits Used In Videotaped Depositions of Riaz Valani Played at Trial* that sets forth all of the Trial Exhibits from the videotaped testimony of Riaz Valani admitted into evidence by the Court.

Respectfully submitted,

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EXHIBIT 1

VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

Designation List Report



Valani, Riaz

2021-09-30

Valani, Riaz

2021-10-01

PLF AFFIRMATIVE	00:48:57
DEF COUNTER	00:07:05
TOTAL RUN TIME	00:56:01



Documents linked to video:

BOWEN11125

VALANI40072

VALANI40077

VALANI40078

VALANI40090

VALANI40100

VALANI40103

VALANI40104

VALANI40105

VALANI40107

VALANI40108

VALANI40109

VALANI40112

VALANI40114

VALANI40118

VALANI40119




VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
12:10 - 12:12	Valani, Riaz 2021-09-30_WIT 12:10 QUESTIONS BY MS. SHARP: 12:11 Q. Good morning, Mr. Valani. 12:12 A. Good morning.	00:00:03	VR_v13.1
12:13 - 12:17	Valani, Riaz 2021-09-30_WIT 12:13 Q. My name is Dena Sharp. I 12:14 haven't had a chance to introduce myself. I 12:15 represent the plaintiffs in the case. 12:16 Thanks for being here today. 12:17 A. Thank you.	00:00:08	VR_v13.2
14:07 - 14:08	Valani, Riaz 2021-09-30_WIT 14:07 Let's talk a little 14:08 bit about your background, just to start out.	00:00:03	VR_v13.3
14:09 - 14:12	Valani, Riaz 2021-09-30_WIT 14:09 My understanding is that you 14:10 started out in investment banking in New York 14:11 at Gruntal & Company; is that right? 14:12 A. That's right.	00:00:07	VR_v13.4
15:06 - 15:12	Valani, Riaz 2021-09-30_WIT 15:06 Q. And at some point 15:07 you came to be involved in the company that 15:08 is now known as JUUL, right? 15:09 A. Correct. 15:10 Q. At the time you joined in 2007, 15:11 it was called Ploom; is that right? 15:12 A. That's correct.	00:00:13	VR_v13.5
15:13 - 16:01	Valani, Riaz 2021-09-30_WIT 15:13 Q. And the company 15:14 later changed forms, and part of it came to 15:15 be known as PAX, right? 15:16 A. That's correct. 15:17 Q. And later on, PAX spun off and 15:18 yielded the company that we now know as JUUL 15:19 Labs, Inc., or JLI; is that right? 15:20 A. That's correct. 15:21 Q. All right. So today I'm going 15:22 to refer to JLI, or JUUL, generally, and what 15:23 I'll mean is that company that you've been a 15:24 part of or have been investing in since 2007.	00:00:29	VR_v13.6

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	15:25 Okay?		
	16:01 A. Sure. Yes.		
16:10 - 16:14	Valani, Riaz 2021-09-30_WIT	00:00:08	VR_v13.7
	16:10 All right. Now, you were one		
	16:11 of the earliest investors in the company		
	16:12 that's now known as JUUL, or JUUL Labs,		
	16:13 right?		
	16:14 A. That's correct.		
16:15 - 16:18	Valani, Riaz 2021-09-30_WIT	00:00:07	VR_v13.8
	16:15 Q. And you're also a principal of		
	16:16 a firm called Global Asset Capital; is that		
	16:17 correct?		
	16:18 A. That's correct.		
39:11 - 39:12	Valani, Riaz 2021-09-30_WIT	00:00:04	VR_v13.9
	39:11 All right. We'll mark this as		
	39:12 a new exhibit, which is 40072.		
39:13 - 40:13	Valani, Riaz 2021-09-30_WIT	00:01:08	VR_v13.10
 VALANI40072. 2.1	39:13 Now, Mr. Valani,		
	39:14 based on the math that we've been doing on		
	39:15 the fly a little bit here, as we understand		
	39:16 it, and understanding your caveats about		
	39:17 trusting our math rather than looking at the		
	39:18 source documents, as we calculate it, the		
	39:19 amount that you personally had invested, in		
	39:20 your own personal capacity and through Ploom		
	39:21 Investment LLC, in the company known as JLI		
	39:22 as of the December 2018 Altria transaction,		
 VALANI40072. 2.2	39:23 was approximately 4 million --		
	39:24 \$4.789 million, correct?		
	39:25 A. Yes.		
	40:01 Q. All right. And the payout that		
	40:02 you received -- and again, understanding		
 VALANI40072. 2.3	40:03 you're trusting our math -- from the Altria		
	40:04 transaction was approximately \$2.45 billion,		
	40:05 correct?		
	40:06 A. Yeah. Thereabouts.		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	40:07 Q. And doing rough math there, 40:08 that's about a 512 times return on that 40:09 investment, correct? 40:10 A. That's the amount. 40:11 Q. All right. That's about a 40:12 51,248 percent increase, correct? 40:13 A. Yes.		
41:03 - 41:06	Valani, Riaz 2021-09-30_WIT 41:03 Q. And you received this 512 times 41:04 return on your investment just approximately 41:05 three and a half years after the JUUL product 41:06 launched in June of 2015, right?	00:00:13	VR_v13.11
41:08 - 41:08	Valani, Riaz 2021-09-30_WIT 41:08 THE WITNESS: Sounds right.	00:00:02	VR_v13.12
43:23 - 44:14	Valani, Riaz 2021-09-30_WIT  Clear 43:23 Q. You are currently a 43:24 member of the JLI board of directors; is that 43:25 right? 44:01 A. I am. 44:02 Q. Have been since 2007? 44:03 A. Yeah. I mean, as you had 44:04 mentioned, the preceding entities like Ploom 44:05 and PAX and then JUUL. 44:06 Q. Correct. Thank you. 44:07 And you have two seats on the 44:08 board, correct? 44:09 A. That's correct. 44:10 Q. And have since 2013? 44:11 A. I'd have to go back and look at 44:12 the dates. 44:13 Q. Sound more or less about right? 44:14 A. Sounds right.	00:00:34	VR_v13.13
44:16 - 44:17	Valani, Riaz 2021-09-30_WIT 44:16 Tell us how you came to invest in Ploom back 44:17 in 2007.	00:00:06	VR_v13.14
44:18 - 45:10	Valani, Riaz 2021-09-30_WIT 44:18 A. I was forwarded an 44:19 e-mail by a friend of mine that was sent to 44:20 the Stanford LISTSERV of, I think, yeah,	00:01:03	VR_v13.15



VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	44:21 Stanford alumni and people involved in		
	44:22 entrepreneurship and venture funding at		
	44:23 Stanford. And it was from the Ploom		
	44:24 founders, and they were looking to raise		
	44:25 capital for a new venture with a focus on		
	45:01 ending smoking.		
	45:02 And -- and I thought it sounded		
	45:03 interesting, and I reached out to them and		
	45:04 met them.		
	45:05 Q. And the Ploom founders were		
	45:06 Adam Bowen and James Monsees, right?		
	45:07 A. That's correct.		
	45:08 Q. And you said that the focus of		
	45:09 the company was on ending smoking?		
	45:10 A. That's correct.		
45:11 - 45:19	Valani, Riaz 2021-09-30_WIT	00:00:29	VR_v13.16
	45:11 Q. Do you feel that you shared the		
	45:12 vision that Mr. Bowen and Monsees had for the		
	45:13 company in that it could help end smoking?		
	45:14 A. Yeah. I mean, it's a, you		
	45:15 know, highly intractable problem, and		
	45:16 obviously there'd been, you know, many		
	45:17 different attempts at trying to address the		
	45:18 problem, but I thought they had an		
	45:19 interesting approach and orientation.		
68:10 - 68:15	Valani, Riaz 2021-09-30_WIT	00:00:18	VR_v13.17
	68:10 Q. Cigarette use was on the		
	68:11 decline before JUUL became available, right?		
	68:12 A. Yeah, as I said, 2 to 3 percent		
	68:13 per year was kind of the median number, and I		
	68:14 think that the advent of JUUL accelerated		
	68:15 those rates materially.		
68:16 - 68:21	Valani, Riaz 2021-09-30_WIT	00:00:12	VR_v13.18
	68:16 Q. I think that you've talked		
	68:17 about JUUL pursuing a harm reduction strategy		
	68:18 or something like that.		
	68:19 Is that fair?		
	68:20 A. Yeah, not something like that		
	68:21 but, yeah, exactly that.		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
69:09 - 69:14	Valani, Riaz 2021-09-30_WIT	00:00:16	VR_v13.19
69:09	Q. Do you		
69:10	agree that even if harm reduction for adults		
69:11	is the mission for the product, that		
69:12	addicting children to nicotine along the way		
69:13	is an unacceptable outcome?		
69:14	A. I do believe that.		
69:18 - 69:19	Valani, Riaz 2021-09-30_WIT	00:00:03	VR_v13.20
69:18	Q. You do believe that?		
69:19	A. I do.		
72:07 - 72:10	Valani, Riaz 2021-09-30_WIT	00:00:15	VR_v13.21
72:07	And you agree that responsible		
72:08	management of the JUUL product would include		
72:09	ensuring that no youth users become addicted		
72:10	to nicotine, right?		
72:15 - 72:20	Valani, Riaz 2021-09-30_WIT	00:00:17	VR_v13.22
72:15	THE WITNESS: Yeah, I do		
72:16	believe that. I should stipulate,		
72:17	though, that -- that kids do a variety		
72:18	of things they're not supposed to do,		
72:19	and I really don't want JUUL'ing to be		
72:20	one of them.		
111:20 - 112:04	Valani, Riaz 2021-09-30_WIT	00:00:23	VR_v13.23
111:20	Q. we agree that		
111:21	nicotine is an addictive substance, right?		
111:22	A. It is generally, yeah,		
111:23	generally accepted as true.		
111:24	Q. And you don't deny it, right?		
111:25	A. No.		
112:01	Q. And you knew nicotine was		
112:02	addictive before you first invested in the		
112:03	company in 2007, right?		
112:04	A. Yeah.		
164:14 - 164:17	Valani, Riaz 2021-09-30_WIT	00:00:11	VR_v13.24
164:14	Q. The 5 percent pod was the		
164:15	primary product that the company sold between		
164:16	2015 and 2018, right?		
164:17	A. I believe so.		
167:21 - 167:23	Valani, Riaz 2021-09-30_WIT	00:00:05	VR_v13.25

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	167:21 you were aware		VR_v13.25
	167:22 when the product launched that it didn't have		
	167:23 dosage control, right?		
168:02 - 168:08	Valani, Riaz 2021-09-30_WIT	00:00:04	VR_v13.26
	168:02 THE WITNESS: Can you explain		
	168:03 what that -- what you mean by that?		
	168:04 (Valani Exhibit 40077 marked		
	168:05 for identification.)		
	168:06 QUESTIONS BY MS. SHARP:		
	168:07 Q. Sure. Let's pull up a		
 VALANI40077. 1.1	168:08 document.		
168:19 - 169:06	Valani, Riaz 2021-09-30_WIT	00:00:28	VR_v13.27
	168:19 This is a long e-mail from		
 VALANI40077. 1.2	168:20 someone named Alex Asseily. On the first		
	168:21 page you can see that the e-mail I'm looking		
	168:22 at is a couple down here. It begins, "Nick		
	168:23 and Riaz." Go about halfway down the page.		
	168:24 Perfect.		
	168:25 On May 17, 2015, Alexander		
	169:01 Asseily wrote an e-mail to you and to Nick,		
	169:02 right?		
	169:03 A. Yes.		
	169:04 Q. All right. And "Nick" refers		
	169:05 to Nick Pritzker who also sat on the board?		
	169:06 A. That's correct.		
170:04 - 170:21	Valani, Riaz 2021-09-30_WIT	00:00:39	VR_v13.28
 VALANI40077. 3.1	170:04 So now let's go back to		
	170:05 the bottom of the e-mail chain on Bates 294.		
	170:06 And I'm focusing at the bottom where he		
 VALANI40077. 3.2	170:07 says -- where Mr. Asseily writes, "Some		
	170:08 product experience thoughts for JUUL."		
	170:09 You see that, right?		
	170:10 A. I do.		
 VALANI40077. 3.3	170:11 Q. And the very first bullet point		
	170:12 says, "Dosage control for tobacco. A single		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
 VALANI40077. 3.4	170:13 hit from JUUL is like a lot of puffs from a		
	170:14 cigarette. How do people know?"		
	170:15 Right?		
	170:16 A. Uh-huh.		
	170:17 Q. And then the fifth bullet point		
	170:18 below says, "There is no end to JUUL use, the		
	170:19 way there is with a cigarette."		
	170:20 Right?		
170:25 - 171:04	170:21 A. Yes.		
	Valani, Riaz 2021-09-30_WIT	00:00:09	VR_v13.29
	170:25 Q. He continues, "Important to		
	171:01 ponder the ramifications. I get a headache		
	171:02 sometimes if I use it too much."		
	171:03 Do you see that?		
171:24 - 172:02	171:04 A. Yes.		
	Valani, Riaz 2021-09-30_WIT	00:00:09	VR_v13.30
	171:24 Now, Mr. Asseily wasn't the		
	171:25 only one who raised a red flag about the		
	172:01 large amounts of nicotine continuous JUUL use		
	172:02 could provide, right?		
172:05 - 172:07	Valani, Riaz 2021-09-30_WIT	00:00:05	VR_v13.31
	172:05 THE WITNESS: Yeah, you want --		
	172:06 do you have other documents you want		
	172:07 to bring up?		
172:11 - 172:12	Valani, Riaz 2021-09-30_WIT	00:00:04	VR_v13.32
	172:11 Q. I do.		
	172:12 Let's go to Tab 52A, please.		
 VALANI40078. 1.1			
172:13 - 172:18	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.33
	172:13 All right. Now, this is an		
 VALANI40078. 1.2	172:14 e-mail from a gentleman named Amit Jain.		
172:24 - 173:14	172:15 Did I get that right?		
	172:16 A. Yes.		
	172:17 Q. And who is Mr. Jain, please?		
	172:18 A. He's a close friend of mine.		
	Valani, Riaz 2021-09-30_WIT	00:00:36	VR_v13.34
	172:24 Q. Now, he wrote to you on		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	172:25 September 7th of 2015, an e-mail, right?		
	173:01 Do you see that?		
	173:02 A. Yes.		
	173:03 Q. And September 7, 2015, is about		
	173:04 three months after JUUL initially launched,		
	173:05 right?		
	173:06 A. Yes.		
 VALANI40078.	173:07 Q. And what he writes to you is,		
1.3			
	173:08 "Only downside I see with this PAX/JUUL		
	173:09 device is that the nicotine content is so		
	173:10 high that you can probably end up even more		
	173:11 addicted to nicotine, especially since you		
	173:12 can vape all the time."		
	173:13 Right?		
	173:14 A. Yes.		
173:17 - 173:22	Valani, Riaz 2021-09-30_WIT	00:00:09	VR_v13.35
	173:17 THE WITNESS: I see -- I see		
	173:18 the text.		
	173:19 QUESTIONS BY MS. SHARP:		
	173:20 Q. Do you remember receiving it?		
	173:21 A. Now that I see it here, yes, I		
	173:22 do remember it.		
173:23 - 173:25	Valani, Riaz 2021-09-30_WIT	00:00:07	VR_v13.36
	173:23 Q. Did you respond to Mr. Jain?		
	173:24 A. I don't think so. If I did,		
	173:25 you would have it.		
179:14 - 179:21	Valani, Riaz 2021-09-30_WIT	00:00:14	VR_v13.37
 VALANI40078.	179:14 QUESTIONS BY MS. SHARP:		
1.4	179:15 Q. Now, Mr. Jain calls up this		
	179:16 thread again in 2018 and he says, "I called		
	179:17 it three years ago."		
	179:18 Didn't he?		
	179:19 A. He did.		
	179:20 Q. Did you respond to that e-mail?		
	179:21 A. I did not.		
254:17 - 254:18	Valani, Riaz 2021-09-30_WIT	00:00:05	VR_v13.38
 Clear	254:17 well, when did you first realize		



VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	254:18 that young people were using JUUL?		
254:20 - 255:03	Valani, Riaz 2021-09-30_WIT	00:00:36	VR_v13.39
	254:20 THE WITNESS: There were some,		
	254:21 you know, anecdotal reports in 2017		
	254:22 and 2018 that indicated that there was		
	254:23 some trend in this direction.		
	254:24 I think that the magnitude, you		
	254:25 know, of increase, you know, in 2018		
	255:01 was really demonstrated by the NYTS		
	255:02 data, but there were some anecdotal		
	255:03 reports prior to that.		
255:09 - 255:14	Valani, Riaz 2021-09-30_WIT	00:00:16	VR_v13.40
	255:09 So was there a time in 2017		
	255:10 that you personally became aware that youth		
	255:11 were using JUUL?		
	255:12 A. I don't know precise dates,		
	255:13 but, you know, I -- I did see whatever		
	255:14 anecdotal reports were out there.		
329:09 - 330:14	Valani, Riaz 2021-09-30_WIT	00:01:15	VR_v13.41
 VALANI40090.	329:09 Q. And this e-mail		
1.1			
	329:10 from July 2, 2015, is from Mr. Frankel to		
	329:11 Mr. Asseily and yourself, Mr. Valani.		
	329:12 Do you see that?		
	329:13 A. I do.		
	329:14 Q. And the subject line is, "Did		
	329:15 you guys read the second half of this		
	329:16 article?"		
	329:17 And Mr. Frankel is obviously		
	329:18 sending you a portion of an article that it		
	329:19 appears he's cut and pasted.		
 VALANI40090.	329:20 And the language he includes		
1.2			
	329:21 says the following. "John Schachter,		
	329:22 director of state communications for Campaign		
	329:23 for Tobacco-Free Kids, expressed concern		
	329:24 about the JUUL campaign because of the youth		
	329:25 of the men and women depicted in the		
	330:01 campaign, especially when adjoined with the		
	330:02 design."		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	330:03 Do you see that?		
	330:04 A. I do.		
	330:05 Q. And the Campaign for		
	330:06 Tobacco-Free Kids is a nonprofit that		
	330:07 advocates against tobacco use by youth,		
	330:08 correct?		
	330:09 A. It does.		
	330:10 Q. And the ad campaign that he		
	330:11 references included the Vaporized campaign		
	330:12 which, as we just discussed at length, drew		
	330:13 some criticisms, right?		
	330:14 A. Yeah.		
330:15 - 330:21	Valani, Riaz 2021-09-30_WIT	00:00:14	VR_v13.42
 VALANI40090.	330:15 Q. Mr. Schachter notes,		
1.3	330:16 "especially when adjoined with the design."		
	330:17 And so what he's pointing out		
	330:18 is that it's not just the youthfulness of the		
	330:19 people in the campaign but also the design of		
	330:20 the product that's causing him concern,		
	330:21 correct?		
330:23 - 331:11	Valani, Riaz 2021-09-30_WIT	00:00:30	VR_v13.43
	330:23 THE WITNESS: I see that.		
	330:24 QUESTIONS BY MS. SHARP:		
	330:25 Q. And July 2, 2015, is pretty		
	331:01 much exactly one month after JUUL launched,		
	331:02 right?		
	331:03 A. Yes.		
 VALANI40090.	331:04 Q. The article goes on,		
1.4	331:05 "Mr. Schachter said the organization has		
	331:06 noticed obvious trends that appeal to		
	331:07 adolescents in e-cigarette campaigns, such as		
	331:08 celebrity endorsements, sponsorships and		
	331:09 various flavors."		
	331:10 Did I read that correctly?		
	331:11 A. Yes.		
331:23 - 332:03	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.44
	331:23 QUESTIONS BY MS. SHARP:		
	331:24 Q. And this is in 2015, so just		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	331:25 one month after the campaign launched. But		
	332:01 your testimony earlier was that you didn't		
	332:02 become really aware of youth usage until 2017		
	332:03 at the earliest; is that right?		
332:05 - 332:15	Valani, Riaz 2021-09-30_WIT	00:00:26	VR_v13.45
	332:05 THE WITNESS: When I said that,		
	332:06 I was saying that as relates to JUUL		
	332:07 products and not a blanket statement		
	332:08 regarding the industry.		
	332:09 And I do think that there were		
	332:10 many industry participants that were		
	332:11 highly responsible.		
	332:12 QUESTIONS BY MS. SHARP:		
	332:13 Q. Mr. Schachter, the portion of		
	332:14 this article it cited, though, expressly		
	332:15 calls out the JUUL campaign, right?		
332:17 - 333:09	Valani, Riaz 2021-09-30_WIT	00:00:46	VR_v13.46
	332:17 THE WITNESS: He made this		
 VALANI40090.	332:18 statement, this quote. At least it		
1.5			
	332:19 says here, "We're seeing more and more		
	332:20 irresponsible marketing of unregulated		
	332:21 products such as e-cigarettes" that he		
	332:22 wrote in a statement about the JUUL		
	332:23 campaign. So, yeah, maybe he was		
	332:24 referencing it.		
	332:25 We didn't like the criticism.		
	333:01 QUESTIONS BY MS. SHARP:		
	333:02 Q. At the very bottom of the		
 VALANI40090.	333:03 snippet Mr. Frankel sent, it says, "Mr. Mumby		
1.6			
	333:04 claims PAX's distinct flavors, tabaac, miint,		
	333:05 fruit and bruula, will appeal to adults."		
	333:06 We discussed Richard Mumby was		
	333:07 the chief marketing guy at the company at		
	333:08 that time, right?		
	333:09 A. Yes.		
333:15 - 334:15	Valani, Riaz 2021-09-30_WIT	00:00:58	VR_v13.47
	333:15 Q. Let's read up in the e-mail		
	333:16 chain just a little bit.		



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DESIGNATION	SOURCE	DURATION	ID
 VALANI40090. 1.7	333:17 And Mr. Pritzker writes, "I 333:18 didn't. Why the fuck do we want to be on 333:19 their radar screen?" 333:20 Right? 333:21 A. Yes.		
 VALANI40090. 1.8	333:22 Q. And he says, "Also, I think we 333:23 need to exercise common sense on flavors. 333:24 Tabaac, yes; tutti fruity, no. Let's figure 333:25 out where to draw the line." 334:01 Right? 334:02 A. Yes.		
 VALANI40090. 1.9	334:03 Q. And you write back, again on 334:04 July 22, 2015, "I like Richard, but 334:05 highlighting a stated weakness of ours is 334:06 idiotic." 334:07 Right? 334:08 A. I did. 334:09 Q. And "Richard" is Richard Mumby. 334:10 And he is referring to flavors in his quote 334:11 in the article, correct? 334:12 A. He is. 334:13 Q. So the stated weakness that 334:14 you're referring to in your e-mail is the use 334:15 of flavors in the JUUL products, right?		
334:18 - 334:21	Valani, Riaz 2021-09-30_WIT 334:18 THE WITNESS: I don't think 334:19 that that's what I -- I did see this 334:20 document in my prep, and I -- I'm not 334:21 sure what I meant on that.	00:00:11	VR_v13.48
335:09 - 335:12	Valani, Riaz 2021-09-30_WIT 335:09 My question is, what did you 335:10 mean here when you said, "I like Richard, but 335:11 highlighting a stated weakness of ours is 335:12 idiotic"?	00:00:06	VR_v13.49
335:18 - 335:21	Valani, Riaz 2021-09-30_WIT 335:18 A. You know, it was a glib remark 335:19 on my part and, frankly, I'm -- when I went	00:00:11	VR_v13.50

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	335:20 back and read this in my -- in my prep, I'm		
	335:21 not sure what I meant at the time.		
335:22 - 336:16	Valani, Riaz 2021-09-30_WIT	00:00:51	VR_v13.51
	335:22 Q. And your testimony is that it's		
	335:23 not clear on the face of the document that		
	335:24 stated weakness refers to the flavors that		
	335:25 were available in JUUL at the time, correct?		
	336:01 A. I heard what you're alleging,		
	336:02 so I understand where you're coming from.		
	336:03 Q. Right.		
	336:04 But -- I don't mean to be		
	336:05 difficult, but my question is a bit		
	336:06 different, which is that it is your testimony		
	336:07 here under oath that it's not clear on the		
	336:08 face of this document that when you say		
	336:09 "stated weakness," what you're referring to		
	336:10 is the fact that JUUL had multiple flavors on		
	336:11 the market at the time when it launched in		
	336:12 June of 2015.		
	336:13 A. I didn't think that that flavor		
	336:14 portfolio was particularly youth-focused.		
	336:15 So, yes, I actually don't know -- yeah, I		
	336:16 don't know what I meant in hindsight.		
337:18 - 338:04	Valani, Riaz 2021-09-30_WIT	00:00:40	VR_v13.52
 Clear	337:18 Q. Were you part of the decision		
	337:19 to take flavors off the market?		
	337:20 A. I was.		
	337:21 Q. Was it a board-level decision?		
	337:22 A. The management team consulted		
	337:23 the board on the action plan in response to		
	337:24 the -- the NYTS data that was released. And		
	337:25 I don't think it was a board decision, but		
	338:01 the board was consulted.		
	338:02 Q. Who made the ultimate call to		
	338:03 pull the flavors?		
	338:04 A. I think the CEO, Kevin Burns.		
338:07 - 338:20	Valani, Riaz 2021-09-30_WIT	00:00:45	VR_v13.53
	338:07 Those flavors didn't come off		
	338:08 the market until more than three years after		
	338:09 this -- after you sent this e-mail about a		





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DESIGNATION	SOURCE	DURATION	ID
	338:10 stated weakness of ours, right?		
	338:11 A. That's true. I mean, at the		
	338:12 same time, mango -- mango produced a lot of		
	338:13 revenue, but fruit and crhme br[lie were a		
	338:14 very de minimis selling product. I think, in		
	338:15 fact, they didn't sell much at all, so...		
	338:16 Q. Mango was popular, though,		
	338:17 right? You said?		
	338:18 A. It was popular.		
	338:19 Q. And mint, too, correct?		
	338:20 A. It was popular.		
338:24 - 339:04	Valani, Riaz 2021-09-30_WIT	00:00:12	VR_v13.54
	338:24 Q. And you mentioned earlier that		
	338:25 there were two different times that flavors		
	339:01 came off the market, and that's because mint		
	339:02 didn't come off the market until 2019,		
	339:03 correct?		
	339:04 A. That is correct.		
363:17 - 364:01	Valani, Riaz 2021-09-30_WIT	00:00:30	VR_v13.55
 BOWEN11125.1.1	363:17 Q. You're being shown the Surgeon		
	363:18 General's advisory on e-cigarette use among		
	363:19 youth. This is actually a previously marked		
	363:20 exhibit at 11125.		
	363:21 And I'll direct your attention		
 BOWEN11125.1.3	363:22 to the -- right where the page break is,		
	363:23 starting with, "One of the most commonly		
	363:24 sold."		
	363:25 And I should provide a date for		
	364:01 this. This is a 2018 advisory.		
365:04 - 365:07	Valani, Riaz 2021-09-30_WIT	00:00:14	VR_v13.56
 Clear	365:04 Q. But there's no doubt that JUUL		
	365:05 took off, at least in 2016 and 2017, right?		
	365:06 A. Yeah. Probably a huge number		
	365:07 of adults purchasing the product.		
365:16 - 365:24	Valani, Riaz 2021-09-30_WIT	00:00:28	VR_v13.57
	365:16 And the rapid rise in youth		
	365:17 e-cigarette use coincided with JUUL's rapid		

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DESIGNATION	SOURCE	DURATION	ID
	365:18 rise in sales, right?		
	365:19 A. No. That was actually my		
	365:20 point, which is that you really saw a massive		
	365:21 increase in youth usage in the 2018 NYTS		
	365:22 data, and that in 2016 and 2017 NYTS data		
	365:23 reported a decrease. At least to the best of		
	365:24 my knowledge. And again, I'm no expert.		
366:01 - 366:03	Valani, Riaz 2021-09-30_WIT	00:00:06	VR_v13.58
	366:01 A. in		
	366:02 2016, 2017, NYTS reported a decrease in youth		
	366:03 usage of the category generally.		
366:12 - 366:15	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.59
	366:12 We can agree that the Surgeon		
	366:13 General had singled out JUUL as contributing		
	366:14 significantly to an increase of e-cigarette		
	366:15 use among youth, right?		
366:18 - 367:03	Valani, Riaz 2021-09-30_WIT	00:00:29	VR_v13.60
	366:18 THE WITNESS: I believe this		
	366:19 was after the 2018 youth NYTS data had		
	366:20 been released, and JUUL was the market		
	366:21 leader in the e-cig category. So --		
	366:22 [audio interruption] what you're		
	366:23 saying.		
	366:24 QUESTIONS BY MS. SHARP:		
	366:25 Q. And just to place us in time,		
	367:01 December 2018 is also when the private equity		
	367:02 deal with Altria and JUUL closed, correct?		
	367:03 A. It was.		
474:08 - 474:12	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.61
	474:08 There were management changes		
	474:09 that happened at the company in October		
	474:10 of 2015, right?		
	474:11 A. Yeah, per our discussion just		
	474:12 now.		
474:14 - 474:21	Valani, Riaz 2021-10-01_WIT	00:00:16	VR_v13.62
	474:14 And one of the things that		
	474:15 happened was that Scott Dunlap left the		
	474:16 company, right?		
	474:17 A. Yes.		

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DESIGNATION	SOURCE	DURATION	ID
	474:18 Q. And another thing that happened		
	474:19 is that Mr. Monsees took on a role other than		
	474:20 CEO, correct?		
	474:21 A. That's correct.		
479:09 - 479:09	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.63
	479:09 let's pull up Tab 67, please.		
479:10 - 479:11	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.64
	479:10 A. Is this 40100?		
	479:11 DAN LAWLOR: Correct.		
479:12 - 479:17	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.65
	479:12 QUESTIONS BY MS. SHARP:		
 VALANI40100. 1.1	479:13 Q. All right. 40100 is an e-mail		
	479:14 from James Monsees to the board and several		
	479:15 other people, and the subject is		
	479:16 "Organizational update," correct?		
	479:17 A. Yeah.		
480:12 - 481:12	Valani, Riaz 2021-10-01_WIT	00:01:00	VR_v13.66
 VALANI40100. 1.2	480:12 Q. Okay. Under number 2 it says,		
	480:13 "New CEO search initiated." And Mr. Monsees		
	480:14 is explaining what's happening there.		
 VALANI40100. 1.3	480:15 He writes, "However, we have		
	480:16 identified a number of short-term operational		
	480:17 changes [sic] in response to the" -- excuse		
	480:18 me -- "short-term operational challenges. In		
	480:19 response to these challenges and to usher in		
	480:20 the next phase of growth for the business,		
	480:21 I'll be stepping down as CEO."		
	480:22 Right?		
	480:23 A. I see the sentence.		
	480:24 Q. And then down underneath		
 VALANI40100. 1.4	480:25 paragraph number 3 regarding the creation of		
	481:01 management committees, he writes, "Until a		
	481:02 new CEO is found, the board has created two		
	481:03 new committees. A board executive committee		
	481:04 has been formed to provide more consistent		

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DESIGNATION	SOURCE	DURATION	ID
	481:05 and focused direction to the company. Board		
	481:06 members Nick Pritzker, Hoyoung Huh and Riaz		
	481:07 Valani are the board executive committee		
	481:08 members, with Mr. Huh serving as executive		
	481:09 chairman and Mr. Pritzker as co-chairman."		
	481:10 And that is, in fact,		
	481:11 consistent with reality in terms of what		
	481:12 happened in October of 2015, correct?		
481:14 - 481:20	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.67
	481:14 THE WITNESS: I mean, I read it		
	481:15 here, so...		
	481:16 QUESTIONS BY MS. SHARP:		
	481:17 Q. Is it what happened?		
	481:18 And the board executive		
	481:19 committee was formed in October, right?		
	481:20 A. It was.		
484:06 - 484:09	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.68
	484:06 Q. And the executive committee, as		
	484:07 he says, was formed to provide more		
	484:08 consistent and focused direction to the		
	484:09 company, correct?		
484:11 - 484:12	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.69
	484:11 THE WITNESS: I see the words		
	484:12 that he used.		
531:19 - 532:08	Valani, Riaz 2021-10-01_WIT	00:00:25	VR_v13.70
 Clear	531:19 Q. Good afternoon,		
	531:20 Mr. Valani.		
	531:21 How you doing?		
	531:22 A. Good. Hi, Mr. Gdanski.		
	531:23 Q. Good. So my name is John		
	531:24 Gdanski. We've not met.		
	531:25 Let me just explain to you this		
	532:01 sort of transition process.		
	532:02 Ms. Sharp was asking you some		
	532:03 questions, and I'm going to now ask you		
	532:04 questions, but it's all part of the same		
	532:05 deposition, and you remain under oath in the		
	532:06 same fashion.		
	532:07 Okay?		

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DESIGNATION	SOURCE	DURATION	ID
	532:08 A. Okay.		
559:20 - 559:23	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.71
	559:20 Q. Before you got into Ploom,		
	559:21 which became JUUL, you had nothing to do with		
	559:22 the tobacco industry, true?		
	559:23 A. That's correct.		
563:16 - 563:20	Valani, Riaz 2021-10-01_WIT	00:00:16	VR_v13.72
	563:16 It wasn't very long after you		
	563:17 first invested in Ploom that you and the		
	563:18 company were looking to partner with the		
	563:19 tobacco industry that you already knew had a		
	563:20 controversial reputation, correct?		
563:23 - 564:02	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.73
	563:23 THE WITNESS: Yeah, I mean, I		
	563:24 did go meet with -- with some of the		
	563:25 large tobacco companies to see if		
	564:01 there would be a suitable dialogue		
	564:02 between them and Ploom.		
564:04 - 564:12	Valani, Riaz 2021-10-01_WIT	00:00:12	VR_v13.74
	564:04 Q. can you		
	564:05 remember offhand when it was that you first		
	564:06 went to go meet with tobacco companies to see		
	564:07 if they were interested in partnering with		
	564:08 Ploom?		
	564:09 A. It feels like 2008 or 2009.		
	564:10 (Valani Exhibit 40103 marked		
	564:11 for identification.)		
	564:12 QUESTIONS BY MR. GDANSKI:		
564:13 - 564:14	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.75
	564:13 Q. Let's take a look,		
	564:14 please, at Document 84.		
564:19 - 564:22	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.76
 VALANI40103.	564:19 DAN LAWLOR: This is		
1.1			
	564:20 Exhibit 40103.		
	564:21 QUESTIONS BY MR. GDANSKI:		
	564:22 Q. Thank you.		
565:14 - 565:24	Valani, Riaz 2021-10-01_WIT	00:00:27	VR_v13.77

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DESIGNATION	SOURCE	DURATION	ID
 VALANI40103.2.1	565:14 If you go to the second page, you'll		VR_v13.77
 VALANI40103.2.2	565:15 see that there is an e-mail from March 27, 565:16 2009, and there's attendees from Ploom at a 565:17 meeting, and it's Adam Bowen, James Monsees, 565:18 Riaz Valani, Gal Cohen. 565:19 Do you see that? 565:20 A. Yes. 565:21 Q. Okay. Do you remember going to 565:22 meet in 2009 with people at Altria in 565:23 Richmond, Virginia? 565:24 A. I do.		
565:25 - 566:03	Valani, Riaz 2021-10-01_WIT 565:25 Q. Was this the first tobacco 566:01 company you met with amongst the bunch, or 566:02 was there any that preceded this? 566:03 A. I don't remember.	00:00:07	VR_v13.78
566:22 - 567:02  Clear	Valani, Riaz 2021-10-01_WIT 566:22 Q. And around this time you 566:23 had, meaning Ploom and individual employees 566:24 or investors like yourself, were having 566:25 meetings with all of the major tobacco 567:01 companies, both nationally and 567:02 internationally, correct?	00:00:15	VR_v13.79
567:05 - 567:11	Valani, Riaz 2021-10-01_WIT 567:05 THE WITNESS: And "all" is a 567:06 big number. I think we might have met 567:07 four or five of them. 567:08 QUESTIONS BY MR. GDANSKI: 567:09 Q. How does eight sound? Does 567:10 that sound about right? 567:11 A. Sounds too high.	00:00:09	VR_v13.80
567:15 - 567:17	Valani, Riaz 2021-10-01_WIT 567:15 can you 567:16 just tell me what the purpose of your meeting 567:17 with folks at Altria was in 2009?	00:00:08	VR_v13.81
569:04 - 569:18	Valani, Riaz 2021-10-01_WIT 569:04 The idea was that if these	00:00:46	VR_v13.82

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DESIGNATION	SOURCE	DURATION	ID
	569:05 companies are spending a ton of resources		
	569:06 trying to develop reduced-risk products,		
	569:07 there might be a world where there would be		
	569:08 collaboration potential where Ploom and, you		
	569:09 know, brilliant engineers with kind of an		
	569:10 empathic product focus, you know, would be		
	569:11 able to -- if you do it better than they were		
	569:12 able to do, because they had innovative ideas		
	569:13 on how to go about it.		
	569:14 So I think the conversations		
	569:15 were really exploratory. They really didn't		
	569:16 lead anywhere at the time, and it was		
	569:17 interesting to see their efforts that they		
	569:18 were making to develop reduced-risk products.		
571:11 - 571:17	Valani, Riaz 2021-10-01_WIT	00:00:15	VR_v13.83
	571:11 Q. In 2009, you wanted to partner		
	571:12 with one of the big tobacco companies, right?		
	571:13 A. These were exploratory		
	571:14 meetings, so I don't know that I had a clear		
	571:15 sense of intent.		
	571:16 Q. All right. If we could take a		
	571:17 look at number 159, please.		
571:18 - 571:22	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.84
 VALANI40104. 1.1	571:18 DAN LAWLOR: Exhibit 40104.		
	571:19 (Valani Exhibit 40104 marked		
	571:20 for identification.)		
	571:21 QUESTIONS BY MR. GDANSKI:		
	571:22 Q. Thank you.		
571:23 - 572:10	Valani, Riaz 2021-10-01_WIT	00:00:24	VR_v13.85
 VALANI40104. 1.2	571:23 And take a look at it. You'll		
	571:24 see it's a string of e-mails including you,		
	571:25 Adam Bowen and Gal Cohen.		
	572:01 Do you see that?		
	572:02 A. Yes.		
	572:03 Q. And the subject matter is		
	572:04 "Big 8 status."		
	572:05 Right?		
	572:06 A. I do see that.		

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DESIGNATION	SOURCE	DURATION	ID
	572:07 Q. And the date is from May 19, 572:08 2009. 572:09 Do you see that? 572:10 A. I do.		
572:11 - 572:20	Valani, Riaz 2021-10-01_WIT	00:00:25	VR_v13.86
 VALANI40104. 1.3	572:11 Q. Okay. And if you go down to 572:12 the initial e-mail, which is at the end 572:13 because it's in reverse sequence, the first 572:14 one is from Adam Bowen to you, Riaz Valani, 572:15 and Gal Cohen, right? 572:16 A. I see that.		
 VALANI40104. 2.1	572:17 Q. He says, "The biggest question 572:18 is what's next step with JT." 572:19 That's Japan Tobacco, right? 572:20 A. Yes.		
572:21 - 573:11	Valani, Riaz 2021-10-01_WIT	00:00:39	VR_v13.87
 VALANI40104. 2.2	572:21 Q. And then Adam Bowen at that 572:22 time lists out as early as 2009 the status of 572:23 the conversations and meetings with Philip 572:24 Morris International, British American 572:25 Tobacco Company, Imperial Tobacco company, 573:01 Japan Tobacco company, Swedish Match tobacco 573:02 company, R.J. Reynolds Tobacco Company, 573:03 Lorillard Tobacco Company, and Altria, which 573:04 is the owner of Philip Morris USA, the maker 573:05 of Marlboro, right? 573:06 A. Yeah, I don't think they all 573:07 have "tobacco company" at the end of their 573:08 names. 573:09 Q. Well, they're all tobacco 573:10 companies, right? 573:11 A. They are.		
573:17 - 573:23	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.88
	573:17 Q. Do you know what BAT stands 573:18 for? 573:19 A. British American Tobacco. 573:20 Q. All right. And you're not		

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DESIGNATION	SOURCE	DURATION	ID
	573:21 disputing at all these are companies that are		
	573:22 tobacco companies, are you?		
	573:23 A. That's correct.		
574:12 - 574:25	Valani, Riaz 2021-10-01_WIT	00:00:40	VR_v13.89
	574:12 It's true at some point in time		
	574:13 Ploom had a relationship with Japan Tobacco,		
	574:14 right?		
	574:15 A. Yeah, so not coming out of this		
	574:16 series of discussions, but -- yeah. But in		
	574:17 2010, Japan Tobacco did enter an arrangement		
	574:18 with -- with Ploom.		
	574:19 Q. Okay. And what was the		
	574:20 arrangement?		
	574:21 A. They invested some capital as a		
	574:22 minority investor in Ploom, and they agreed		
	574:23 to distribute Ploom's product line		
	574:24 internationally if the products were		
	574:25 developed.		
575:01 - 575:03	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.90
	575:01 Q. Okay. Were there any other		
	575:02 companies, other than Altria here, that you		
	575:03 went and had meetings with?		
575:06 - 575:19	Valani, Riaz 2021-10-01_WIT	00:00:29	VR_v13.91
	575:06 THE WITNESS: Yeah, I think I		
	575:07 might have joined for discussions --		
	575:08 it's a long time ago, but I think		
	575:09 might have joined for discussions with		
	575:10 PMI and BAT and RJR.		
	575:11 QUESTIONS BY MR. GDANSKI:		
	575:12 Q. Okay. And Phillip -- PMI		
	575:13 stands for Philip Morris International,		
	575:14 right?		
	575:15 A. That's correct.		
	575:16 Q. And you know at that time they		
	575:17 were a separate entity than Altria, but they		
	575:18 used to be one entity, right?		
	575:19 A. That's correct.		
580:23 - 581:02	Valani, Riaz 2021-10-01_WIT	00:00:24	VR_v13.92
 Clear	580:23 Q. So from 2000 -- from		

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DESIGNATION	SOURCE	DURATION	ID
	580:24 2008 or '9 going forward into the present		
	580:25 day, essentially, JUUL has been constantly in		
	581:01 different relationships with the tobacco		
	581:02 industry, true?		
581:06 - 581:11	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.93
	581:06 THE WITNESS: Yeah, I don't		
	581:07 agree with that statement.		
	581:08 QUESTIONS BY MR. GDANSKI:		
	581:09 Q. Well, in 2009 you're meeting		
	581:10 with them to try to see about possible		
	581:11 partnerships or working together, right?		
581:14 - 581:23	Valani, Riaz 2021-10-01_WIT	00:00:21	VR_v13.94
	581:14 THE WITNESS: 2009, there were		
	581:15 some exploratory discussions that were		
	581:16 held.		
	581:17 QUESTIONS BY MR. GDANSKI:		
	581:18 Q. 2018, Altria invested		
	581:19 \$12.8 billion in the company, right?		
	581:20 A. Yes.		
	581:21 Q. In 2017, you were negotiating		
	581:22 with R.J. Reynolds Tobacco Company, right?		
	581:23 A. I talked to them.		
582:02 - 582:06	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.95
	582:02 Q. About an investment in JUUL,		
	582:03 right?		
	582:04 A. Yes, we talked to them.		
	582:05 Q. 2010, you took money from Japan		
	582:06 Tobacco, right?		
582:09 - 582:13	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.96
	582:09 THE WITNESS: Yes.		
	582:10 QUESTIONS BY MR. GDANSKI:		
	582:11 Q. 2019, you met with Altria and		
	582:12 Philip Morris International, right?		
	582:13 A. Yes.		
583:14 - 583:18	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.97
	583:14 (Valani Exhibit 40105 marked		
	583:15 for identification.)		
	583:16 QUESTIONS BY MR. GDANSKI:		
	583:17 Q. Okay. Let's take a look at		


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DESIGNATION	SOURCE	DURATION	ID
	583:18 number 161.		
584:09 - 584:13	Valani, Riaz 2021-10-01_WIT	00:00:14	VR_v13.98
	584:09 In 2009, Ploom was negotiating		
	584:10 and talking with tobacco companies because		
	584:11 there was a recognition within Ploom that		
	584:12 Ploom could help those companies maintain the		
	584:13 youth culture market, true?		
584:16 - 584:19	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.99
	584:16 THE WITNESS: Absolutely not.		
	584:17 QUESTIONS BY MR. GDANSKI:		
 VALANI40105. 1.1	584:18 Q. Okay. Let's take a look at the		
	584:19 document that we have up on the screen here.		
584:23 - 585:02	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.100
 VALANI40105. 1.2	584:23 if you just go to the top,		
	584:24 do you see at the very top it's a string of		
	584:25 e-mails between you, Riaz Valani, and James		
	585:01 Monsees?		
	585:02 Do you see that?		
585:10 - 585:10	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.101
	585:10 A. I see it.		
586:22 - 587:08	Valani, Riaz 2021-10-01_WIT	00:00:32	VR_v13.102
	586:22 And if we go down on		
	586:23 this version of the document -- yeah, keep		
	586:24 going down a little bit. Thank you.		
 VALANI40105. 1.3	586:25 It's the e-mail from James		
	587:01 Monsees, right there, on November the 10th,		
	587:02 Tuesday, at ten o'clock.		
	587:03 Do you see that e-mail?		
	587:04 A. I do.		
	587:05 Q. Okay. And you're copied on it		
	587:06 as a recipient, right?		
	587:07 Do you see that?		
	587:08 A. I am.		
590:07 - 590:20	Valani, Riaz 2021-10-01_WIT	00:00:38	VR_v13.103
	590:07 Q. My question is, when you have		
	590:08 these meetings with the big 8 tobacco		

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DESIGNATION	SOURCE	DURATION	ID
	590:09 companies, one thing that you want to try to		
	590:10 accomplish is to explain what Ploom brings to		
	590:11 the table, why Ploom adds value, right?		
	590:12 A. Well, the whole purpose behind		
	590:13 Ploom's existence and Ploom going to see them		
	590:14 was to show that a product can replace		
	590:15 cigarettes, and there was a sentiment that		
	590:16 the original Ploom technology platform would		
	590:17 be able to do that.		
	590:18 Q. Is that what Mr. Monsees writes		
	590:19 in the next paragraph?		
	590:20 A. Well, why don't you read it.		
591:03 - 591:22	Valani, Riaz 2021-10-01_WIT	00:00:55	VR_v13.104
	591:03 So go ahead and read, please,		
	591:04 to this jury what Mr. Monsees wrote to you in		
	591:05 November of 2009.		
 VALANI40105.	591:06 A. "I think where Ploom comes in		
1.4	591:07 for them is maintaining the youth culture		
	591:08 market. Where do the young Camel Light		
	591:09 smokers go? Snus seemed to be an attempt at		
	591:10 that but didn't play out well in Austin,		
	591:11 Portland, et cetera, which raises a question:		
	591:12 Does RAI just want to be a good ole boy		
	591:13 company who wants to be stamped as the		
	591:14 innovator" --		
	591:15 Q. Let's go back to the left-hand		
	591:16 side, please.		
	591:17 A. -- "in the brave new tobacco		
	591:18 world."		
	591:19 Q. "The brave new tobacco world."		
	591:20 That's the truth, right? Ploom		
	591:21 came in to help maintain the youth culture		
	591:22 market for the tobacco industry.		
592:02 - 592:04	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.105
	592:02 Q. Is that right?		
	592:03 A. No, not my understanding, but I		
	592:04 do see what James wrote here.		
620:05 - 620:08	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.106
 Clear	620:05 (Valani Exhibit 40107 marked		

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DESIGNATION	SOURCE	DURATION	ID
	620:06 for identification.)		
	620:07 QUESTIONS BY MR. GDANSKI:		
	620:08 Q. Okay. And then in 2017 -- one		
620:09 - 620:10	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.107
	620:09 second. In 2017 -- if we could take a look		
	620:10 at number 167, please, Document 167.		
620:22 - 620:23	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.108
	620:22 In 2017 you started to talk to		
	620:23 the big tobacco companies again, right?		
621:01 - 621:03	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.109
	621:01 THE WITNESS: Yeah. Yeah, I		
	621:02 mean, to be clear, I think Altria was		
	621:03 very focused on talking to JUUL.		
621:16 - 622:08	Valani, Riaz 2021-10-01_WIT	00:00:38	VR_v13.110
 VALANI40107. 1.2	621:16 Q. June of 2017, Dinyar Devitre		
	621:17 sends you an e-mail and copies Billy Gifford.		
	621:18 Do you see that?		
	621:19 A. I do.		
	621:20 Q. Okay. And Dinyar Devitre is a		
	621:21 long-time employee of Philip Morris-related		
	621:22 companies, correct?		
	621:23 A. Was. He's a board member of		
	621:24 Altria now.		
	621:25 Q. He's currently a board member		
	622:01 of Altria, and he was a board member in		
	622:02 October -- in June of 2017 of Altria, right?		
	622:03 A. That's correct.		
	622:04 Q. But he has something like a 30		
	622:05 to 40-year history of working for		
	622:06 Altria/Philip Morris-related companies,		
	622:07 right?		
	622:08 A. He did.		
623:07 - 623:16	Valani, Riaz 2021-10-01_WIT	00:00:19	VR_v13.111
	623:07 so Dinyar Devitre reaches out to you		
	623:08 in June of 2017, and this is the same		
	623:09 individual who you'd been in touch with in		
	623:10 2009.		
	623:11 Remember that?		




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DESIGNATION	SOURCE	DURATION	ID
	623:12 A. I do.		
	623:13 Q. And since then, you and		
	623:14 Mr. Devitre have developed somewhat of a		
	623:15 close, personal friendship, right?		
	623:16 A. We are friends.		
624:07 - 625:03	Valani, Riaz 2021-10-01_WIT	00:00:58	VR_v13.112
 VALANI40107. 1.3	624:07 Q. Okay. He writes here, "Further		
	624:08 to our conversation, this will introduce you		
	624:09 to Billy Gifford, CFO, Altria Group, Inc."		
	624:10 Do you see that?		
	624:11 A. I do.		
	624:12 Q. Do you remember the		
	624:13 conversation that preceded this e-mail?		
	624:14 A. Yeah, I had seen him in		
	624:15 New York.		
	624:16 Q. And what happened?		
	624:17 A. Well, it was just a general		
	624:18 catchup. And he is kind of a senior,		
	624:19 respected person in -- in the Indian		
	624:20 community and in the tobacco industry and		
	624:21 consumer products industry. And so I spent		
	624:22 some time with him and, you know, just		
	624:23 general discussion.		
	624:24 Q. About JUUL or just life?		
	624:25 A. I think -- I mean, obviously,		
	625:01 you know, he understood my involvement with		
	625:02 JUUL, but I think it was a more, you know,		
	625:03 wide-ranging conversation.		
625:16 - 626:13	Valani, Riaz 2021-10-01_WIT	00:01:18	VR_v13.113
	625:16 Q. Okay. Well, he says, "Further		
	625:17 to our discussion" -- or, sorry. "Further to		
	625:18 our conversation."		
	625:19 So was there a conversation		
	625:20 about linking you up or putting you in touch		
	625:21 with some senior executive at Altria?		
	625:22 A. Well, I think Altria had met		
	625:23 with some executives at JUUL earlier in the		
	625:24 year, and I don't think the discussions		
	625:25 really went anywhere.		

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DESIGNATION	SOURCE	DURATION	ID
	626:01 And I also knew a banker who		
	626:02 represented -- or whose firm had represented		
	626:03 Altria who was based in London. You know, he		
	626:04 had kind of encouraged JUUL and Altria to sit		
	626:05 down, and I was a bit reticent to do that.		
	626:06 And then Dinny had called me		
	626:07 and asked if we'd be open to take a meeting,		
	626:08 and I really didn't want to tell him no, and		
	626:09 so I agreed to meet with the Billy Gifford		
	626:10 and Howard Willard.		
	626:11 Q. Why wouldn't you just say, I'm		
	626:12 only an investor, reach out to management?		
	626:13 A. Yeah, I didn't at the time.		
626:14 - 627:03	Valani, Riaz 2021-10-01_WIT	00:00:36	VR_v13.114
 VALANI40107.	626:14 Q. Okay. And you actually		
1.4			
	626:15 forwarded the e-mail, if you go up, to Zach		
	626:16 Frankel and Nick Pritzker, right?		
	626:17 A. I did.		
	626:18 Q. And then Nick Pritzker -- Nick		
 VALANI40107.	626:19 Pritzker writes back to you. He says, "Tiger		
1.5			
	626:20 by the tail."		
	626:21 Do you see that?		
	626:22 A. I do.		
	626:23 Q. What does that mean to you?		
	626:24 A. I think he said maybe he'd --		
	626:25 you'd have to ask him, but to me it meant		
	627:01 that -- I thought it was interesting that a		
	627:02 large company in the space was interested in		
	627:03 our company.		
630:10 - 630:13	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.115
 VALANI40107.	630:10 So when Nick Pritzker writes		
1.6	630:11 "Tiger by the tail," you respond, "Wild..."		
	630:12 Do you see that?		
	630:13 A. I do.		
630:24 - 631:12	Valani, Riaz 2021-10-01_WIT	00:00:36	VR_v13.116
	630:24 What do you mean by "wild"?		
	630:25 A. I mean, at the time it was		



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DESIGNATION	SOURCE	DURATION	ID
	631:01 like -- it was an odd moment in time, right,		
	631:02 because I think there had been several		
	631:03 overtures that had been made and, you know,		
	631:04 and frequently in these types of overtures,		
	631:05 you know, you kind of dismiss them. But it		
	631:06 was interesting, right, that the largest		
	631:07 company in the space, you know, taking notice		
	631:08 of -- had taken notice of JUUL like this and		
	631:09 had made such a concerted effort to try and		
	631:10 start a dialogue.		
	631:11 Q. Right.		
	631:12 A. It was notable.		
632:14 - 632:15	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.117
 Clear	632:14 Q. Let's take a look,		
	632:15 please, at 168.		
632:20 - 633:12	Valani, Riaz 2021-10-01_WIT	00:00:40	VR_v13.118
 VALANI40108.	632:20 QUESTIONS BY MR. GDANSKI:		
1.1	632:21 Q. If you go down to the bottom of		
	632:22 the e-mail, you send an e-mail to Nick		
	632:23 Pritzker on July 21, 2017, and you put a		
	632:24 hyperlink in for the leadership page at		
	632:25 Altria.		
	633:01 And then you say, "Dinny just		
	633:02 called, stressing that Altria and PMI would		
	633:03 be great partners for us. Said we look		
	633:04 forward to building a relationship. Howard,		
	633:05 the COO, and Billy, the CFO, are coming		
	633:06 Friday, 10:30."		
	633:07 Do you see that?		
	633:08 A. Yes.		
	633:09 Q. Okay. And what does		
	633:10 Mr. Pritzker respond?		
 VALANI40108.	633:11 A. He says, "Honestly, that is		
1.2	633:12 fucking awesome."		
634:17 - 634:20	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.119
	634:17 Q. Did you think that it was		
	634:18 fucking awesome that Altria leadership was		
	634:19 expressing such an intense interest in JUUL		

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DESIGNATION	SOURCE	DURATION	ID
	634:20 in July of 2017?		
634:22 - 634:25	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.120
	634:22 THE WITNESS: I thought it was		
	634:23 really interesting, and I was curious		
	634:24 to hear what they had to say.		
	634:25		
635:02 - 635:07	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.121
	635:02 Q. Right. I didn't -- interesting		
	635:03 is --		
	635:04 A. And to be clear, I was very		
	635:05 reticent about, you know -- you know, very		
	635:06 reticent about ever actually doing something		
	635:07 with them.		
635:13 - 635:19	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.122
 Clear	635:13 (Valani Exhibit 40109 marked		
	635:14 for identification.)		
	635:15 QUESTIONS BY MR. GDANSKI:		
	635:16 Q. Okay. All right. I mean, for		
	635:17 example, let's take a look at -- this is now		
	635:18 July 27th. Let's go to number 38, please,		
	635:19 August 1st, a few days later.		
635:20 - 635:23	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.123
	635:20 At this point in time your		
	635:21 friendship with Mr. Devitre from Altria is		
	635:22 growing, right?		
	635:23 A. I was talking to him, yeah.		
639:11 - 640:01	Valani, Riaz 2021-10-01_WIT	00:00:30	VR_v13.124
 VALANI40109.	639:11 QUESTIONS BY MR. GDANSKI:		
1.1	639:12 Q. Okay. Here it's July of 2017.		
	639:13 Mr. Devitre writes, "We had a nice talk with		
	639:14 Billy and Howard. Thank you. Will aim to		
	639:15 reconvene for further discussions, possibly		
	639:16 in Richmond, and will give some thought to		
	639:17 how we can possibly collaborate."		
	639:18 Do you see that?		
 VALANI40109.	639:19 Sorry, you wrote that. I		
1.2	639:20 misspoke. You write that to Mr. Devitre,		




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DESIGNATION	SOURCE	DURATION	ID
	639:21 right?		
	639:22 A. I did.		
	639:23 Q. Okay. And you're referring to		
	639:24 Billy Gifford, the then CFO of Altria, now		
	639:25 CEO, right?		
	640:01 A. Yes.		
640:06 - 640:08	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.125
	640:06 And the Howard there is Howard		
	640:07 Willard, right?		
	640:08 A. Yes.		
641:12 - 641:25	Valani, Riaz 2021-10-01_WIT	00:00:37	VR_v13.126
	641:12 Mr. Willard was the CEO of		
	641:13 Altria in October and November and December		
	641:14 of 2018 when you negotiated the deal for JUUL		
	641:15 with Altria at that time, correct?		
	641:16 A. Yeah. But to be clear, there		
	641:17 were kind of ongoing stop-and-start		
	641:18 discussions that had taken place between the		
	641:19 companies in 2017 and 2018.		
	641:20 Q. Gotcha.		
	641:21 A. Yeah. So his role changed at		
	641:22 some point in the midst of that.		
	641:23 And I do think that he was CEO		
	641:24 by October of 2018, just to clarify, to		
	641:25 answer your question.		
642:03 - 642:04	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.127
 VALANI40109.	642:03 And if we go up to the higher		
1.3	642:04 part of this e-mail, please.		
642:05 - 642:07	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.128
	642:05 Dinny writes, "Smart move" to		
	642:06 you, right?		
	642:07 A. He does.		
687:07 - 687:09	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.129
 Clear	687:07 Q. you knew that a		
	687:08 majority of JUUL sales came from		
	687:09 nontobacco -- nontobacco flavor, right?		
687:12 - 687:20	Valani, Riaz 2021-10-01_WIT	00:00:17	VR_v13.130
	687:12 THE WITNESS: I did know that a		

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DESIGNATION	SOURCE	DURATION	ID
	687:13 very large percentage of sales came 687:14 from nontobacco flavors. 687:15 QUESTIONS BY MR. GDANSKI: 687:16 Q. Okay. And you knew, at least 687:17 at this time in 2018 and going forward, the 687:18 number one brand of JUUL sales was mango, 687:19 right? 687:20 A. I did.		
688:22 - 689:12	Valani, Riaz 2021-10-01_WIT 688:22 Q. Well, remember in around 688:23 the middle of 2018 Mr. Devitre asked you what 688:24 portion of total sales of JUUL is nontobacco 688:25 flavor? 689:01 A. I don't remember him asking, 689:02 but if you're telling me that he did, then I 689:03 believe you. 689:04 (Valani Exhibit 40112 marked 689:05 for identification.) 689:06 QUESTIONS BY MR. GDANSKI: 689:07 Q. It's number 79. Let's take a 689:08 look for one sec, please. 689:09 A. Is that the exhibit? 689:10 Q. 79 is the internal number. The 689:11 exhibit is going to be the next-numbered 689:12 exhibit number, which I think is 40112.	00:00:37	VR_v13.131
689:15 - 689:25	Valani, Riaz 2021-10-01_WIT 689:15 So just to orient us to time, 689:16 June 2018, you had been on and off, back and 689:17 forth, negotiations with Altria, right? 689:18 A. I would say that we had a 689:19 series of stop-and-start discussions. 689:20 Q. Right. 689:21 And prior to this e-mail, there 689:22 were periods of time where it started and 689:23 stopped and started again and stopped again, 689:24 right? 689:25 A. Yeah, common theme.	00:00:26	VR_v13.132
690:01 - 690:06	Valani, Riaz 2021-10-01_WIT 690:01 Q. And that sort of continued 690:02 going forward through the summer, right?	00:00:13	VR_v13.133

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DESIGNATION	SOURCE	DURATION	ID
	690:03 A. I mean, it had gone -- yeah. I		
	690:04 mean, it was -- the entire period of		
	690:05 discussions with them was kind of a		
	690:06 start-and-stop discussion.		
690:07 - 690:09	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.134
	690:07 Q. And during that period of time,		
	690:08 you still maintained communication with		
	690:09 Mr. Devitre, correct?		
690:12 - 690:12	Valani, Riaz 2021-10-01_WIT	00:00:01	VR_v13.135
	690:12 THE WITNESS: Yeah.		
691:06 - 691:09	Valani, Riaz 2021-10-01_WIT	00:00:17	VR_v13.136
 VALANI40112.1.2	691:06 Q. One thing that Altria wanted to		
	691:07 understand from JUUL was exactly what		
	691:08 Mr. Devitre is asking you: How much of JUUL		
	691:09 sales is for nontobacco flavors, correct?		
691:12 - 691:13	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.137
	691:12 THE WITNESS: Well, I see in		
	691:13 the question that he's asking here.		
692:08 - 692:21	Valani, Riaz 2021-10-01_WIT	00:00:34	VR_v13.138
 VALANI40112.1.3	692:08 Q. You respond to		
	692:09 Mr. Devitre that "It's a majority. We can		
	692:10 discuss live when we next meet."		
	692:11 Right?		
	692:12 A. Yeah, I see that that's what I		
	692:13 responded.		
	692:14 Q. Okay. And what you're saying		
	692:15 is that the majority are nontobacco flavor or		
	692:16 a majority are mint? Because the subject is		
	692:17 mint percentage.		
	692:18 A. Well, I think a majority being		
	692:19 mint would have been the wrong answer at that		
	692:20 point in time, so likely I was responding to		
	692:21 the question in line.		
692:23 - 693:06	Valani, Riaz 2021-10-01_WIT	00:00:35	VR_v13.139
 Clear	692:23 At some point in		
	692:24 time JUUL removed from the market all flavors		
	692:25 other than mint, menthol and tobacco, right?		

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DESIGNATION	SOURCE	DURATION	ID
	693:01 A. Well, after the NYTS data came 693:02 out in September of 2018, JUUL made the 693:03 decision, which was consistent with the 693:04 regulator, with the FDA, to pull all these 693:05 flavored products, as there was a significant 693:06 uptick in youth usage.		
694:09 - 694:11	Valani, Riaz 2021-10-01_WIT 694:09 Q. Okay. Mint, you know, stayed 694:10 on the market after the investment by Altria 694:11 in JUUL, correct?	00:00:09	VR_v13.140
694:14 - 694:22	Valani, Riaz 2021-10-01_WIT 694:14 THE WITNESS: Yeah, I mean, I 694:15 think you are clear that -- yeah, 694:16 that's the case, yeah. 694:17 QUESTIONS BY MR. GDANSKI: 694:18 Q. And mint is a product that 694:19 Altria actually -- are you aware that Altria 694:20 actually helped to increase the distribution 694:21 of the mint JUUL product after the investment 694:22 by Altria and JUUL?	00:00:22	VR_v13.141
694:25 - 695:04	Valani, Riaz 2021-10-01_WIT 694:25 THE WITNESS: There was a 695:01 limited period of time, to my 695:02 understanding, when Altria was 695:03 providing distribution support for 695:04 JUUL, and then that ceased.	00:00:13	VR_v13.142
696:16 - 696:19	Valani, Riaz 2021-10-01_WIT 696:16 was one of the 696:17 points that you needed Altria to understand 696:18 was that you weren't interested in selling to 696:19 Altria more than 50 percent of JUUL?	00:00:10	VR_v13.143
696:21 - 696:22	Valani, Riaz 2021-10-01_WIT 696:21 Yeah, I think it was important 696:22 that -- that control was not sold.	00:00:08	VR_v13.144
696:23 - 697:05	Valani, Riaz 2021-10-01_WIT 696:23 Q. And what does that mean, 696:24 "control not sold"? What do you mean by 696:25 that? 697:01 A. Well, I mean at various points	00:00:25	VR_v13.145

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DESIGNATION	SOURCE	DURATION	ID
	697:02 in time in the discussion, you know, Altria		
	697:03 suggested that they would become an owner or		
	697:04 controlling shareholder of the business,		
	697:05 and -- and, yeah, that didn't happen.		
704:20 - 705:01	Valani, Riaz 2021-10-01_WIT	00:00:17	VR_v13.146
	704:20 You remember in September of		
	704:21 2018 Commissioner Gottlieb came out and said		
	704:22 that there was an epidemic of youth usage of		
	704:23 vapor products, right?		
	704:24 A. I do remember that.		
	704:25 Q. Do you disagree with		
	705:01 Commissioner Gottlieb on that issue?		
705:04 - 705:13	Valani, Riaz 2021-10-01_WIT	00:00:19	VR_v13.147
	705:04 THE WITNESS: He's a public		
	705:05 health expert, so I believe him.		
	705:06 I personally don't know the		
	705:07 standards for what constitutes a		
	705:08 epidemic or not.		
	705:09 QUESTIONS BY MR. GDANSKI:		
	705:10 Q. But you don't dispute that		
	705:11 there was a youth usage -- sorry. You don't		
	705:12 dispute that there was a significant youth		
	705:13 usage problem of JUUL, correct?		
705:16 - 706:08	Valani, Riaz 2021-10-01_WIT	00:00:27	VR_v13.148
	705:16 THE WITNESS: You've seen the		
	705:17 data.		
	705:18 QUESTIONS BY MR. GDANSKI:		
	705:19 Q. Say it again?		
	705:20 A. You've seen the data.		
	705:21 Q. You're asking if I've seen the		
	705:22 data?		
	705:23 A. I'm saying that you have seen		
	705:24 the data, so you know there was.		
	705:25 Q. Okay. I'm asking you to		
	706:01 confirm that there was a significant youth		
	706:02 usage problem with JUUL.		
	706:03 A. Oh, I see. Okay.		
	706:04 So I saw the data, the NYTS		
	706:05 data, and it -- it did illustrate that there		
	706:06 was a significant youth usage problem.		

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DESIGNATION	SOURCE	DURATION	ID
	706:07 Q. Of JUUL?		
	706:08 A. Of JUUL.		
708:05 - 708:08	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.149
	708:05 Q. And can you confirm that you		
	708:06 and Mr. Pritzker were the lead negotiators		
	708:07 for JUUL on the Altria deal in October,		
	708:08 November, December of 2018?		
708:10 - 708:11	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.150
	708:10 THE WITNESS: I think Kevin		
	708:11 Burns was CEO.		
708:16 - 708:19	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.151
	708:16 Q. All right. So you,		
	708:17 Mr. Pritzker and Kevin Burns, you say, were		
	708:18 the lead negotiators for JUUL, correct?		
	708:19 A. Yes.		
710:08 - 710:15	Valani, Riaz 2021-10-01_WIT	00:00:12	VR_v13.152
	710:08 (Valani Exhibit 40114 marked		
	710:09 for identification.)		
	710:10 QUESTIONS BY MR. GDANSKI:		
	710:11 Q. If you take a look then,		
 VALANI40114.	710:12 please, at number 173, which is from		
2.1			
 VALANI40114.	710:13 October 5, 2018. Just confirm this is the		
2.2			
	710:14 letter from Howard Willard in October		
	710:15 addressed to JUUL and you and Mr. Pritzker.		
710:18 - 711:09	Valani, Riaz 2021-10-01_WIT	00:00:58	VR_v13.153
	710:18 Q. can you confirm		
	710:19 that's what this is?		
	710:20 A. Yes.		
 VALANI40114.	710:21 Q. What was your reaction to		
2.3			
	710:22 receiving this offer now in October of 2018?		
	710:23 A. I was surprised.		
	710:24 Q. Why?		
	710:25 A. Well, discussions had kind of		
	711:01 broken off between the companies previously,		
	711:02 and I thought they had broken off in kind of		
	711:03 an irretrievable sort of way.		




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DESIGNATION	SOURCE	DURATION	ID
	711:04 And obviously these types of 711:05 discussions consume a lot of time and effort 711:06 and thought and bandwidth. And I think the 711:07 company, JUUL's, focus was really on doing 711:08 what it needed to do as a business and -- and 711:09 moving forward.		
728:05 - 728:11	Valani, Riaz 2021-10-01_WIT	00:00:15	VR_v13.154
 Clear	728:05 QUESTIONS BY MR. GDANSKI: 728:06 Q. It was in 728:07 September of 2019 that the board voted to 728:08 accept the resignation of Mr. Burns and 728:09 approve Mr. Crosthwaite as the new CEO of 728:10 JLI, right? 728:11 A. That's correct.		
729:09 - 729:22	Valani, Riaz 2021-10-01_WIT	00:00:44	VR_v13.155
	729:09 Q. When was the first time 729:10 you recall the discussion about K.C. 729:11 Crosthwaite joining JUUL in any capacity? 729:12 A. I mean, he had been highly 729:13 recommended as a solid person, you know, kind 729:14 of by Altria, just as a very solid person. 729:15 It's the reason why they chose him to be our 729:16 board observer. 729:17 There was a reason why he was 729:18 kind of a primary liaison in between the 729:19 companies. So -- and so there was some -- a 729:20 positive -- positive view of him both from 729:21 Altria and also with the interactions that 729:22 JUUL had had with him.		
732:07 - 732:09	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.156
	732:07 Q. And Mr. Crosthwaite, 732:08 were you aware of the fact that he was 732:09 previously the CEO of Philip Morris USA?		
732:12 - 732:13	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.157
	732:12 THE WITNESS: I knew what his 732:13 risumi was.		
733:09 - 733:13	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.158
	733:09 Q. Was there anybody else you were 733:10 considering as a replacement for Mr. Burns?		

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DESIGNATION	SOURCE	DURATION	ID
	733:11 A. Yeah, there were some internal 733:12 candidates, and there was some other external 733:13 people that we had had in mind.		
736:19 - 736:21	Valani, Riaz 2021-10-01_WIT 736:19 Q. Were you aware of the fact that 736:20 for years his role at Altria was to be 736:21 responsible for the Marlboro brand	00:00:08	VR_v13.159
737:02 - 737:10	Valani, Riaz 2021-10-01_WIT 737:02 THE WITNESS: He would have 737:03 been responsible for that as the -- as 737:04 the -- as the head of PM USA. 737:05 QUESTIONS BY MR. GDANSKI: 737:06 Q. Right. 737:07 But do you know if there was a 737:08 period of time that he was also a brand 737:09 manager for Marlboro? 737:10 A. I'm aware of that.	00:00:15	VR_v13.160
741:11 - 741:18	Valani, Riaz 2021-10-01_WIT 741:11 QUESTIONS BY MR. GDANSKI: 741:12 Q. Okay. So Mr. Crosthwaite, you 741:13 said yesterday, also brought over his 741:14 long-time colleague, Joe Murillo, right? 741:15 A. Yes. 741:16 Q. Joe Murillo is an attorney, 741:17 right? 741:18 A. Yes.	00:00:18	VR_v13.161
741:23 - 741:25	Valani, Riaz 2021-10-01_WIT 741:23 And Joe Murillo spent his 741:24 career also at Altria, correct? 741:25 A. Yes.	00:00:08	VR_v13.162
742:01 - 742:03	Valani, Riaz 2021-10-01_WIT 742:01 Q. Who is in charge of JUUL 742:02 now? Who would you say is in charge of JUUL 742:03 right now?	00:00:06	VR_v13.163
742:06 - 742:07	Valani, Riaz 2021-10-01_WIT 742:06 THE WITNESS: K.C. Crosthwaite 742:07 is the CEO.	00:00:02	VR_v13.164
760:14 - 760:15	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.165



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DESIGNATION	SOURCE	DURATION	ID
	760:14 thank you		VR_v13.165
	760:15 for your time. I appreciate it.		
775:02 - 775:07	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.166
	775:02 MS. SHARP: Okay. Great. I		
	775:03 have just a few, I think.		
	775:04 REDIRECT EXAMINATION		
	775:05 QUESTIONS BY MS. SHARP:		
	775:06 Q. Good evening, Mr. Valani.		
	775:07 A. Hi.		
778:02 - 778:06	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.167
	778:02 (Valani Exhibit 40118 marked		
	778:03 for identification.)		
	778:04 QUESTIONS BY MS. SHARP:		
	778:05 Q. Let's pull up Tab 116, please.		
 VALANI40118. 1.1	778:06 DAN LAWLOR: 40118.		
778:07 - 778:21	Valani, Riaz 2021-10-01_WIT	00:00:34	VR_v13.168
	778:07 QUESTIONS BY MS. SHARP:		
	778:08 Q. All right. You're being shown,		
 VALANI40118. 1.2	778:09 Mr. Valani, an e-mail that was sent to you		
	778:10 and Mr. Frankel and Vittal Kadapakkam on		
	778:11 April 30, 2018.		
	778:12 Dan Sundheim is a part of D1		
	778:13 Capital, which is an investment entity,		
	778:14 right?		
	778:15 A. Yes.		
 VALANI40118. 1.3	778:16 Q. And he -- in his e-mail he says		
	778:17 to you, "Hey, guys, thought you would find		
	778:18 this interesting, results from the JUUL		
	778:19 social media study we commissioned."		
	778:20 Do you see that?		
	778:21 A. I do.		
779:16 - 780:04	Valani, Riaz 2021-10-01_WIT	00:00:31	VR_v13.169
 VALANI40118. 1.4	779:16 Q. All right. So let's take a		
	779:17 look at the underlying e-mail that was sent		
	779:18 by somebody named Eddie Dilworth, or Ed		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
 VALANI40118.2.2	779:19 Dilworth, and I'm looking at the second page		
	779:20 here, the paragraph that begins with the word		
 VALANI40118.2.1	779:21 "finally."		
	779:22 It says, "Finally, while we do		
	779:23 see some backlash elements in the social		
	779:24 conversation, some risks in terms of pod		
	779:25 switching and design characteristics, overall		
	780:01 in the short and midterm, this product is a		
	780:02 monster hit that will continue to grow."		
	780:03 Do you see that?		
	780:04 A. I do.		
780:09 - 780:21	Valani, Riaz 2021-10-01_WIT	00:00:32	VR_v13.170
 VALANI40118.2.3	780:09 Next paragraph. "Part of the		
	780:10 popularity we haven't really documented yet		
	780:11 is the gadget side of the usage. You have an		
	780:12 emerging generation of gadget-lovers who are		
	780:13 pairing the JUUL with their mobile phones as		
	780:14 part of their new addictions and the two		
	780:15 really go hand-in-hand. While nicotine is		
	780:16 undoubtedly playing the biggest role in the		
	780:17 interest, the gadget element is really		
	780:18 important as well. It is creating a new		
	780:19 generation of smokers that is interested for		
	780:20 a new reason we have not seen before."		
	780:21 Did I read that correctly?		
780:23 - 781:06	Valani, Riaz 2021-10-01_WIT	00:00:14	VR_v13.171
	780:23 THE WITNESS: Yes, you read it		
	780:24 correctly.		
	780:25		
	781:01 QUESTIONS BY MS. SHARP:		
	781:02 Q. Would you agree with me that		
	781:03 creating a new generation of smokers that is		
	781:04 interested for a new reason we have not seen		
	781:05 before was inconsistent with the mission of		
	781:06 JUUL?		
781:11 - 781:12	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.172
	781:11 THE WITNESS: Yes, very much		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	781:12 so.		
782:22 - 783:05	Valani, Riaz 2021-10-01_WIT	00:00:19	VR_v13.173
 Clear	782:22 (Valani Exhibit 40119 marked 782:23 for identification.) 782:24 QUESTIONS BY MS. SHARP: 782:25 Q. Let's pull up Tab 117, please. 783:01 And just for frame of 783:02 reference, Mr. Valani, Tab 117 is the study		
 VALANI40119. 1.1	783:03 that was commissioned by D1, the cover e-mail 783:04 that we just looked at. That was attached to 783:05 the cover e-mail we just looked at.		
783:06 - 783:07	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.174
 VALANI40119. 3.1	783:06 All right. Let's go to Bates 783:07 ending 740, please.		
783:08 - 783:23	Valani, Riaz 2021-10-01_WIT	00:00:37	VR_v13.175
 VALANI40119. 3.2	783:08 All right. On the left-hand 783:09 side it says, "JUUL popularity is riding 783:10 three incredible waves of use." 783:11 I want to focus on the second. 783:12 And the second bullet it says, "The second		
 VALANI40119. 3.3	783:13 comes from trendy teen/young adults, 783:14 millennials, whose use starts with JUUL 783:15 rather than cigarettes." 783:16 Did I read that correctly? 783:17 A. You did.		
 VALANI40119. 3.4	783:18 Q. And the next box over says, 783:19 "The second group is by far the largest, both 783:20 in sheer volume and in terms of social 783:21 posting." 783:22 Did I read that right? 783:23 A. I see that.		
785:02 - 785:03	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.176
 VALANI40119. 15.1	785:02 Q. Let's go to the page ending in		


VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	785:03 Bates 752, please.		
785:04 - 785:22	Valani, Riaz 2021-10-01_WIT	00:00:44	VR_v13.177
 VALANI40119.15.2	785:04 On the left-hand side here it 785:05 says, "What stage are they in?"		
	785:06 Do you see that?		
 VALANI40119.15.3	785:07 A. I do. 785:08 Q. And the first paragraph says,		
	785:09 "The highest volume of those engaging around		
	785:10 JUUL are those who started with JUUL and		
	785:11 never smoked traditional cigarettes."		
	785:12 Do you see that?		
	785:13 A. I do.		
	785:14 Q. Do you remember reviewing this		
	785:15 study in April of 2018 when you received it?		
	785:16 A. I don't. I remember cursorily		
	785:17 reviewing it.		
	785:18 Q. You do.		
	785:19 A. And obviously the company --		
	785:20 the company had seen it, and I know that they		
	785:21 were incorporating this into their -- into		
	785:22 their work.		
786:15 - 787:05	Valani, Riaz 2021-10-01_WIT	00:00:32	VR_v13.178
 VALANI40119.15.4	786:15 QUESTIONS BY MS. SHARP: 786:16 Q. The next paragraph down says,		
	786:17 "This group" -- and that's, again, referring		
	786:18 to those engaging around JUUL are those who		
	786:19 started with JUUL and never smoked		
	786:20 traditional cigarettes. So describing that		
	786:21 group.		
	786:22 "This group is nearly three		
	786:23 times the volume of those who are using on		
	786:24 attempted path to quitting smoking."		
	786:25 Do you see that?		
	787:01 A. I do.		
	787:02 Q. So JUUL was three times more		
	787:03 effective at ensnaring new users than		
	787:04 switching existing smokers, right, according		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	787:05 to this study?		
787:09 - 787:23	Valani, Riaz 2021-10-01_WIT	00:00:28	VR_v13.179
	787:09 THE WITNESS: Yeah, I don't --		
	787:10 I don't agree with the assertion,		
	787:11 so...		
	787:12 QUESTIONS BY MS. SHARP:		
	787:13 Q. The assertion in the study?		
	787:14 A. Yes.		
	787:15 Q. What studies can you point to		
	787:16 that come to a contrary conclusion?		
	787:17 A. I think NYTS is probably a much		
	787:18 better -- a much better set of studies to		
	787:19 look at.		
	787:20 Q. They, too, concluded that JUUL		
	787:21 had a significant youth uptick, though,		
	787:22 right?		
	787:23 A. They did.		
788:02 - 788:03	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.180
 VALANI40119.	788:02 Q. Let's go to the slide ending		
21.1	788:03 758, please.		
788:04 - 788:13	Valani, Riaz 2021-10-01_WIT	00:00:18	VR_v13.181
 VALANI40119.	788:04 Note 2. The heading of this		
21.2			
	788:05 one is "JUUL Owns Teens."		
	788:06 Do you see that?		
	788:07 A. Yes.		
 VALANI40119.	788:08 Q. First bullet. "JUUL is the		
21.3			
	788:09 most popular teen behavior and meme-driver,		
	788:10 with Fortnite the only challenger on the		
	788:11 horizon."		
	788:12 Right?		
	788:13 A. Yes.		
789:06 - 789:10	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.182
 VALANI40119.	789:06 Q. Second bullet. "JUUL's		
21.4			
	789:07 hyper-growth and 50 percent-plus market share		
	789:08 are coming in no small part from teen trend		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	789:09 followers."		
	789:10 Right?		
789:16 - 789:23	Valani, Riaz 2021-10-01_WIT	00:00:21	VR_v13.183
	789:16 Yeah, I mean, to be clear, the		
	789:17 study -- I got to check -- the study		
	789:18 is an online sentiment study on social		
	789:19 media. So, yeah, I think you have to		
	789:20 take that into account when reviewing		
	789:21 this.		
	789:22 And I do understand what --		
	789:23 what this says here, so...		
790:13 - 790:17	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.184
 Clear	790:13 MS. SHARP: I think I'm out of		
	790:14 time. I don't have any further		
	790:15 questions.		
	790:16 Thank you very much for your		
	790:17 time.		

PLF AFFIRMATIVE	00:48:57
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DEF COUNTER	00:07:05
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TOTAL RUN TIME	00:56:01
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Documents linked to video:

BOWEN11125

VALANI40072

VALANI40077

VALANI40078

VALANI40090

VALANI40100

VALANI40103

VALANI40104

VALANI40105

VALANI40107

VALANI40108

VALANI40109

VALANI40112



VALANI40114

VALANI40118

VALANI40119

EXHIBIT 2

[Submitting Counsel on Signature Page]

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

**IN RE JUUL LABS, INC.,
MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY
LITIGATION**

Case No. 19-md-02913-WHO

**JOINT STIPULATION IDENTIFYING
TRIAL EXHIBITS USED IN THE
VIDEOTAPED DEPOSITION OF RIAZ
VALANI PLAYED AT TRIAL**

This Document Relates to:

***San Francisco Unified School District v.
Juul Labs, Inc. et al., Case No. 3:19-cv-
08177***

WHEREAS, Plaintiff called Riaz Valani, whose videotaped deposition was played to the jury.

WHEREAS, the exhibit numbers in the videotaped deposition are different from the Trial Exhibit numbers.

WHEREAS, to most efficiently clarify the record, the parties, by and through their undersigned counsel, hereby stipulate and agree that the chart below accurately reflects the deposition exhibits introduced during the videotaped testimony of Riaz Valani and the corresponding Trial Exhibit Numbers¹:

¹ The parties reserve all objections regarding these exhibits.

DEPOSITION EXHIBIT NUMBER	TRIAL EXHIBIT NUMBER
Bowen Exhibit 11125	Plaintiff Trial Exhibit 641
Valani Exhibit 40072	Plaintiff Trial Exhibit 914
Valani Exhibit 40077	Plaintiff Trial Exhibit 176
Valani Exhibit 40078	Plaintiff Trial Exhibit 177
Valani Exhibit 40090	Plaintiff Trial Exhibit 178
Valani Exhibit 40100	Plaintiff Trial Exhibit 1717
Valani Exhibit 40103	Plaintiff Trial Exhibit 180
Valani Exhibit 40104	Plaintiff Trial Exhibit 19
Valani Exhibit 40105	Plaintiff Trial Exhibit 181
Valani Exhibit 40107	Plaintiff Trial Exhibit 1268
Valani Exhibit 40108	Plaintiff Trial Exhibit 182
Valani Exhibit 40109	Plaintiff Trial Exhibit 3137
Valani Exhibit 40112	Plaintiff Trial Exhibit 183
Valani Exhibit 40114	Plaintiff Trial Exhibit 2596
Valani Exhibit 40118	Plaintiff Trial Exhibit 1371
Valani Exhibit 40119	Plaintiff Trial Exhibit 2938

Respectfully submitted,

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